



Budget Information System Chart of Accounts (COA) Update

Enterprise Process Advisory Committee (EPAC)
July 20, 2006

Chart of Accounts (COA) – Objective

- Help the state identify the best way to meet unique **COA requirements of California** within the context of a **COTS product**
 - Review the current COA (the **Uniform Codes Manual—UCM**) and identify gaps with the UCM
 - Document requirements for a COA to support the **BIS Implementation** and **other ERP efforts in the state**
 - Develop COA **strategy**



BIS Project COA Update

Current status – COA Analysis

- Data has been gathered through a combination of **surveys**, **workshops**, **interviews**, and **panel work sessions**.
 - **Surveys**
 - ✓ 2004, 2005 and 2006
 - **BIS COA Workshops (began late April)**
 - ✓ Initial workshops: 139 individual participants from 40 departments
 - ✓ Follow up workshops: 50 individual participants from 40 departments
 - **BIS COA Panel work sessions (began mid-June)**
 - ✓ **UCM Standard and Definitions Panel** structured to recommend changes to definitions
 - 2 work sessions conducted: 20 individual participants representing 12 different departments
 - 1 additional workshop scheduled for August 9th

Current status – COA Analysis

- ✓ **Strategy Panel** structured to gain consensus on key COA improvement strategies
 - 2 work sessions conducted: 16 individual participants representing 12 different departments
 - 1 additional workshop scheduled for August 29th
- **BIS COA Interviews/workshops (conducted mid-April through mid-June)**
 - ✓ **Control agency workshops** conducted with SCO, STO, DGS and Finance
 - ✓ **ERP Department Interviews** conducted with AOC, CSU, DMV and DWR
- **ERP Educational demonstrations** provided by Oracle (and PeopleSoft), SAP, and CGI-AMS (presented June through mid-July)

COA Analysis – Sessions to Date

- **Chart of Accounts/ERP Workshops conducted as of 7/12/06 (28)**
- **COA initial workshops (7):**
 - ✓ Project and Grant for CALSTARS – 4/25/06
 - ✓ Project and Grant non-CALSTARS – 4/26/06
 - ✓ Statutory Reporting for CALSTARS – 5/2/2006
 - ✓ Statutory Reporting for non-CALSTARS – 5/3/2006
 - ✓ Management Reporting for CALSTARS – 5/9/2006
 - ✓ Management Reporting for non-CALSTARS – 5/10/2006
 - ✓ Budget Development and Administration – 6/6/2006
- **Follow-up workshop sessions conducted (3):**
 - ✓ Project and Grant – 5/16/2006
 - ✓ Statutory Reporting – 5/17/2006
 - ✓ Management Reporting – 5/23/2006
- **Control Agency COA workshops (4):**
 - ✓ **SCO** – 4/13/06 and 5/18/2006
 - ✓ **STO** – 5/24/3006
 - ✓ **DOF** – 5/30/2006 and 5/31/2006
 - ✓ **DGS** – 6/5/2006

COA Analysis – Sessions to Date

- “Department ERP users” COA workshops (4):
 - ✓ **AOC** – 5/23/06 (SAP)
 - ✓ **DWR** – 5/24/06 (SAP)
 - ✓ **DMV** – 5/31/06 (Oracle)
 - ✓ **CSU** – 6/13/06 (Peoplesoft)
- **COA Strategy Panels (2):**
 - ✓ Panel #1 (6/14/06) *Final Panel: (8/29/06)*
 - ✓ Panel #2 (7/12/06)
- **COA Standards and Definitions Panels (2):**
 - ✓ Panel #1 (6/14/06) *Final Panel: (8/9/06)*
 - ✓ Panel #1 (6/21/06)
- **ERP Educational Demonstrations (6):**
 - ✓ **SAP** – 6/5/06
 - ✓ **Oracle** – 6/9/06
 - ✓ **CGI-AMS** – 6/22/06
 - ✓ **Peoplesoft** – 6/26/06
 - ✓ **Gartner** (implementation experience/issues) – 7/6/06
 - ✓ **Gartner** (ERP comparisons) – 7/10/06
- **Total (as of 7/12/06): 28 Workshops** (includes 6 ERP Educational Demonstrations)

Current status – COA Analysis Documents

- **Draft analyses** have been completed and are being reviewed:
 - Comparisons of UCM, department requirements, and ERP solutions
 - Summary of COA analysis
 - Budgetary/Legal Basis and GAAP Reporting Requirements
 - Definitions and practices

Current status – BIS Procurement

- **Requirements workshop approach** has been determined
 - Technical requirements
 - Business requirements
- **Requirements workshops** have commenced
 - Technical requirements workshops began July 11th
 - Business requirements workshops began this week (July 17th)



Chart of Accounts Issues

What we heard – UCM Strengths

■ Longevity

- Passed the test of time
- Historical reference

■ Consistency

- Well-defined hierarchy
- Uniformity
- Statewide comparability
- Checks and balances

■ Comprehensiveness

■ Usability

- Not overly complex
- Familiarity

What we heard – UCM Weaknesses

- **Inconsistency** in definition and usage
 - Especially at lower levels
- **Inflexible** in meeting unique departmental needs
 - Lack of details
 - Difficulty performing roll-ups (aggregation)
- **Lack of modernization**
 - Outdated definitions
 - In need of expansion and update
- **Reconciling Budgetary/Legal to GAAP reporting**

What we learned – Department Interviews

- Met with the following departments who have **implemented an ERP**:
 - Administrative Office of the Courts (SAP)
 - Department of Water Resources (SAP)
 - Department of Motor Vehicles (Oracle)
 - California State University (Peoplesoft)

What we learned – Department Interviews

- Discussed the following **Lessons Learned**
 - Start with a vision of the end solution in mind
 - To maximize ERP benefits you must adopt ERP best practices
 - Importance of change management cannot be overstated
 - Requires much more centralized control and configuration
 - New technology (e.g., web) may (will!) stress network infrastructure
- Identified the following **Critical Success Factors**
 - Executive support essential
 - Involve key managers and staff (subject matter experts) from the beginning
 - Training, training and more training
 - Plan for change management as a major project component
 - Build a service-oriented support and maintenance organization